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## ***Business interruption cases: 6 ways financial experts can help***

Whether it's caused by a natural disaster or another party's wrongful act, a business interruption can disrupt a company's cash flow and threaten its existence. The key to survival is to restore normal operations as quickly as possible, and insurance plays a critical role. The purpose of business interruption insurance is to place an insured in the same position as if the interruption hadn't occurred.

Here are six ways financial experts can help with insurance claims:

- 1. Determining the scope of coverage:*** Resolving scope-of-coverage issues up front is critical. For example, does the business interruption policy cover extraordinary expenses, such as the cost of operating at a temporary location? Does it cover "denial of access" losses? What sort of rebuilding costs are covered?
- 2. Estimating losses:*** Developing an aggressive, yet reasonable, "proof of loss" claim smooths the claims process, improves the chances for a speedy recovery and supports requests for advances from the insurer.
- 3. Defining income:*** Policies generally reimburse the insured for "lost business income," which leaves some room for interpretation. An expert can educate the insurer about the business and its finances, project future income, and calculate continuing and noncontinuing costs.
- 4. Mitigating the loss:*** There are many mitigation strategies, but not all of them make good business sense. A company might be able to cut costs by laying off staff, for example, but this might slow its recovery in the long run. An expert can help develop and support reasonable mitigation strategies.
- 5. Establishing the loss period:*** Generally, the loss period is the time required, with due diligence, to rebuild, repair or replace damaged property. An expert can help establish the proper loss period, thus maximizing the client's recovery.
- 6. Proving damages:*** Whether a client is seeking recovery from an insurer, a responsible party, or both, an expert can help calculate and support its damages claims. The expert can, with credible, reliable and consistent testimony and documentation, establish the amount of a claim for damages.

To bounce back after a business interruption, the client must act quickly to estimate the loss and put together a persuasive, well-documented claim. Early involvement of financial experts improves the chances for a full, speedy recovery.



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